

PINOLE



REDEVELOPMENT AGENCY

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PINOLE VISTA REDEVELOPMENT PROJECT

TAX ALLOCATION BONDS, 1975

\$2,350,000

Principal Amount

PINOLE REDEVELOPMENT AGENCY

Contra Costa County, California

CITY COUNCIL AND AGENCY GOVERNING BOARD

James F. Chakedis, *Mayor and Agency Chairman*

Donald E. Tormey, *Vice Mayor and Agency Vice Chairman*

James A. Blyler

Robert A. Shadley

Robert M. Smith

STAFF

Edward G. Wohlenberg, *City Manager and Agency Executive Director*

Elizabeth Grimes, *City Clerk*

George A. Dutra, *City Treasurer*

Michael E. Fuson, *Finance Director*

David J. Levy, *City Attorney*

SPECIAL SERVICES

Bond Counsel

James Warren Beebe, A Law Corporation, *Los Angeles*

Mudge Rose Guthrie & Alexander, *New York*

Agency Counsel

Steven H. Goldfarb, *Oakland*

Urban Design Consultants

Rockrise Odermatt Mountjoy Amis, *San Francisco*

Economic Consultants

Keyser Marston Associates, *San Francisco*

Financing Consultants

Hornblower & Weeks-Hemphill, Noyes Incorporated,
San Francisco

Fiscal Agent

Bank of America N.T. & S.A., *San Francisco*

THE DATE OF THIS OFFICIAL STATEMENT IS
NOVEMBER 17, 1975

[Hornblower + Weeks-Hemphill,
Noyes, Inc.]

Slum clearance Pinole
Tax. Prop. tax "
Publ. debts Marin "
Investments Publ. sewer,

76 03010

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THE PINOLE REDEVELOPMENT AGENCY

November 17, 1975

TO WHOM IT MAY CONCERN:

The purpose of this Official Statement is to furnish information regarding \$2,350,000 par value tax allocation bonds to be issued by the Pinole Redevelopment Agency to assist in financing its Pinole Vista Redevelopment Project.

The material contained in this Official Statement was prepared by Hornblower & Weeks-Hemphill, Noyes Incorporated as Financing Consultants to and under the direction of the Agency for the information of all who might become holders of the bonds described herein.

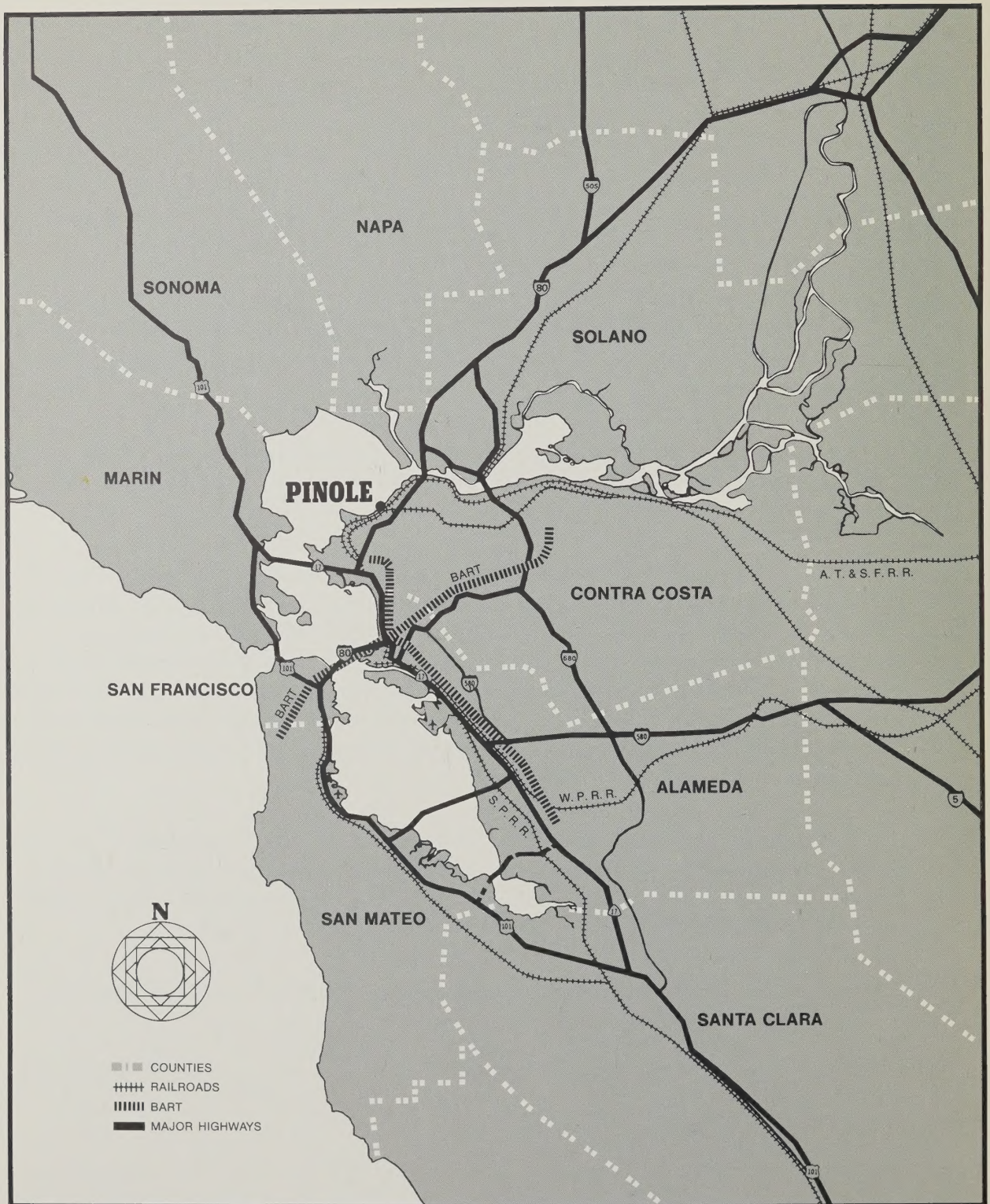
All of the following summaries of the Resolution of Issuance, the Community Redevelopment Law, other applicable legislation, the Redevelopment Plan, and other documents are made subject to the provisions of such documents respectively, and do not purport to be complete statements of any or all of such provisions. Reference is hereby made to such documents on file with the Agency for further information in connection therewith. The covenants of the Agency are fully set forth in the Resolution of Issuance, and this Official Statement does not constitute a contract with purchasers of bonds. Any statements herein involving matters of opinion or estimates, whether or not so designated, are to be construed as provisional rather than factual.

The unqualified legal opinions of the Bond Counsel firms of James Warren Beebe, A Law Corporation, Los Angeles, California, and Mudge Rose Guthrie & Alexander, New York, New York, in substantially the form included as Exhibit A to this official statement, will be furnished to the successful bidder at the time of delivery of the Bonds, at the expense of the Agency.

The execution and delivery of this Official Statement have been authorized by the Agency.

s/ James F. Chakedis

Chairman



Map showing relationship of Pinole, located in Western Contra Costa County, to San Francisco Bay Area and its major transportation network.

INTRODUCTION

The \$2,350,000 principal amount of tax allocation bonds to be issued by the Pinole Redevelopment Agency are being sold to finance public improvements within the project area, including streets, sanitary and storm sewers, recreation, and open space areas. All of the improvements are to be developed in accordance with a redevelopment plan for the project area.

The Pinole Redevelopment Agency was activated in 1972. The redevelopment project area includes approximately 880 acres within the city which represents about one-third of the total city land area. The project area includes several residential neighborhoods, large tracts of undeveloped residential land, and several areas with potential for commercial development.

The \$2,350,000 principal amount of tax allocation bonds are payable from property taxes collected in the redevelopment project area upon any increase over its 1972/73 assessed valuation of \$5,858,657. The 1975/76 assessed valuation of \$8,733,886 represents an increase in assessed valuation of \$2,875,229, which will produce a 1975/76 tax allocation to the Agency of \$364,807. Assuming an interest rate of 8% (the highest allowed) the 1975/76 allocation is in itself sufficient to cover maximum debt service on the bonds by a ratio of more than 1.6.

The City of Pinole, with a population of 15,337, is primarily residential in character, with a majority of its housing constructed in the last 20 years. The median annual per household income of the residents of Pinole is \$17,000 as shown in the 1975 Special Census. The city is seeking to broaden its tax base through commercial development and revitalization of its central business area.

The growth and economic development of Pinole is tied closely to that of the Oakland-San Francisco

Bay Area. Principal sources of employment for city residents include the large industrially developed sections of Richmond, Oakland, and Berkeley, as well as the City and County of San Francisco, across the Bay. The city is traversed by a major north-south freeway (Interstate 80) and is also served by the Richmond and El Cerrito stations of the Bay Area Rapid Transit District.

The table below reflects information shown in more detail in other tables throughout this official statement.

ESSENTIAL FACTS

The Bonds

Principal amount	\$2,350,000
Maturities	1977-2001
Denominations	\$5,000
Average life	17.01 years
Bond years	39,970
Maturities callable 1986 or after	1987-2001
Maximum coupon rate	8%
Maximum coupon spread	2%

Agency Financial Data

Frozen base assessed valuation	\$5,858,657
1975/76 assessed valuation	\$8,733,886
1975/76 incremental assessed valuation	\$2,875,229
Range of 1975/76 total tax rates	\$12.66 to \$13.93
1975/76 tax allocation to Agency	\$364,807
Maximum possible debt service on bonds	\$224,200
Coverage of maximum debt service by 1975/76 tax allocation	1.63

City Financial and Economic Data

1975/76 assessed valuation	\$40,296,909
Direct bonded indebtedness	\$1,000,000
Gross direct and overlapping debt	\$6,111,259
Net direct and overlapping debt	\$5,040,686
Ratio direct debt to assessed valuation	2.48%
Ratio gross direct and overlapping debt to assessed valuation	15.17%
Ratio net direct and overlapping debt to assessed valuation	12.51%
1975 population	15,337
Per capita assessed valuation	\$2,627

THE BONDS

Authority for Issuance

The \$2,350,000 Pinole Redevelopment Agency Pinole Vista Redevelopment Project, Tax Allocation Bonds, 1975, ("the bonds") currently being offered, were authorized pursuant to Resolution No. 75-13 of the Pinole Redevelopment Agency (the "resolution"). The bonds will be issued in full conformity with the Constitution and laws of the State of California, including the Community Redevelopment Law and acts amending or supplementing the law.

The Agency has no bonded debt now outstanding.

Description of the Bonds

The bonds consist of an aggregate principal amount of \$2,350,000. They will be issued either as coupon bonds in the denomination of \$5,000 each, or as fully registered bonds in authorized denominations. The bonds are serial bonds, dated November 1, 1975, and mature on May 1, 1977 to 2001, as shown in the adjoining maturity schedule.

Interest is payable on May 1, 1976 and thereafter semi-annually on each November 1 and May 1. Interest and principal (except for interest on fully registered bonds which is payable by mailed check or draft) are payable at the main office of the Fiscal Agent of the Agency in San Francisco, California. The Agency is required by the resolution to appoint Paying Agents in New York, New York, and Chicago, Illinois.

Redemption

The bonds maturing on or before May 1, 1986, are not subject to redemption prior to their stated maturity dates.

The bonds maturing on or after May 1, 1987, may be called before maturity and redeemed at the option of the Agency, in whole or in part, from any source of funds, on May 1, 1986, or on any interest payment date thereafter prior to maturity. If less than all of the bonds outstanding are to be redeemed at any one time, the bonds are to be redeemed in inverse order of maturity and by lot within a maturity.

Bonds called for redemption are to be redeemed at a redemption price for each redeemed bond equal to the principal amount thereof, plus the premium shown at right.

Registration

Two forms of bonds have been provided: (1) those which are in negotiable form, payable to bearer with negotiable coupons ("bearer bonds"); and (2) non-negotiable fully registered bonds payable to the registered owner ("fully registered bonds"), each in denominations of \$5,000 or any multiple thereof. The bearer bonds are not registrable by endorsement, but bearer bonds and fully registered bonds may be exchanged as provided in the Resolution. No such exchange shall be made between the fifteenth day preceding any interest payment date and such interest payment date.

Legal Opinion

The unqualified legal opinions of the bond counsel firms of James Warren Beebe, A Law Corporation, Los Angeles, California, and Mudge Rose Guthrie & Alexander, New York, New York, in substantially the form included as Exhibit A to this official statement, will be furnished to the successful bidder at the time of delivery of the bonds at the expense of the Agency. A copy of such opinions, certified by an officer of the Agency by his facsimile signature, will be printed on the back of each bond. No charge will be made to the purchaser for such printing or certification.

MATURITY SCHEDULE

<i>Maturity Date May 1</i>	<i>Principal Maturing</i>
1977	\$ 35,000
1978	35,000
1979	40,000
1980	40,000
1981	45,000
1982	50,000
1983	55,000
1984	60,000
1985	65,000
1986	70,000
1987	75,000
1988	80,000
1989	85,000
1990	90,000
1991	95,000
1992	100,000
1993	110,000
1994	115,000
1995	125,000
1996	135,000
1997	145,000
1998	160,000
1999	170,000
2000	180,000
2001	190,000

PREMIUMS AND REDEMPTION YEARS

<i>Premium</i>	<i>Redemption Year</i>
3 %	1986
2½ %	1987
2 %	1988
1½ %	1989
1 %	1990
½ %	1991
0 %	1992-2001

Tax Exempt Status

In the opinion of bond counsel, interest on the bonds is exempt from all present federal income taxes and from State of California personal income taxes under existing statutes, regulations and court decisions.

Legality for Investment in California

The Community Redevelopment Law provides that bonds authorized and issued in the manner and for the purpose of the bonds shall be legal investments for all banks, including trust companies and savings banks, insurance companies, and various other financial institutions, as well as for trust funds. The bonds are also authorized security for public deposits under the law.

The Superintendent of Banks of the State of California has previously ruled that bonds of a redevelopment agency are eligible for savings bank investment in California.

Disposition of Bond Proceeds

Bond proceeds will be placed in the Redevelopment Fund, held by the Agency's Treasurer, except that accrued interest and premium paid, if any, will be transferred to the Fiscal Agent and placed in the Special Fund in the Bond Interest Account; and a sum equal to the Maximum Annual Debt Service will be transferred to the Fiscal Agent and placed in the Special Fund in the Reserve Account.

Remaining proceeds will be spent as described in "The Project" section of this Official Statement.

The Redevelopment Fund

The moneys set aside and placed in the Redevelopment Fund are to be expended for the cost of the redevelopment project and other costs related thereto.

The Special Fund

All Tax Revenues, as defined under the heading "Security," below, are to be deposited in the Special Fund, held by the Fiscal Agent and pledged to payment of the principal and interest on the bonds. Interest earned on the investment of moneys in the Special Fund accrues to the fund.

The Tax Revenues accumulated in the Special Fund shall be used in the following priority:

1. For deposits into the Bond Interest Account for current semi-annual bond interest payments (initial deposit of accrued interest and premium, if any);
2. For deposits into the Serial Bond Payment Account for current bond principal payments;
3. For additional deposits into the Bond Interest Account so that the balance in said Account shall equal the amount of one year's interest on the bonds one month prior to any interest payment date;
4. For deposits into the Reserve Account so that the balance in said Account shall equal the Maximum Annual Debt Service (initial complete deposit made from bond proceeds);
5. For deposit into the Term Bond Sinking Fund Account, which is not applicable to this issue, but might become applicable for future issues of parity bonds.

Failure to make any deposit under 3, 4 and 5, above, is not to be considered an event of default, if Tax Revenues are insufficient therefor, but the by-passed deposits are cumulative and are required to be made as soon as Tax Revenues are sufficient therefor.

If all of the deposits have been made, surplus Tax Revenues may be used for the purchase or call of bonds or for any other lawful purpose, but only if Tax Revenues for the next fiscal year will be at least 1.25 times Maximum Annual Debt Service, as shown by the certificate or opinion of an independent accountant.

Bond Reserve

An amount equal to the Maximum Annual Debt Service is to be maintained in the Reserve Account as a bond reserve.

Security

Under provisions of the California Constitution, the law, and the resolution, taxes on all taxable property in the redevelopment project area levied and collected by any taxing agency will be divided as follows:

1. An amount each year equal to the amount which would have been produced by that year's tax rates applied to the assessed valuation of such property within the redevelopment project area last equalized prior to the effective date of the ordinance approving the Redevelopment Plan (the 1972/73 assessment roll) will be paid into the funds of the respective taxing agencies;
2. Taxes received over and above that amount as a result of the increases in assessed valuation (the "Tax Revenues"), will be deposited in the Special Fund of the Agency.

The bonds are payable from any available funds of the Agency but are specifically secured only by a pledge of the Tax Revenues. All moneys in the Special Fund are pledged to the payment of the bonds. The Agency has no power to levy and collect taxes, and any legislative property tax de-emphasis, or provision of additional sources of income to taxing agencies having the effect of reducing the property tax rate, must necessarily reduce the amount of Tax Revenues that would otherwise be available to pay the principal of, and interest on, the bonds. Likewise, broadened property tax exemptions could have a similar effect.

Conversely, any increase in the tax rate or assessed valuation, or any reduction or elimination of present exemptions would necessarily increase the amount of Tax Revenues that would be available to pay principal and interest on the bonds.

Among the elements providing special protection to the bonds is a Reserve Fund equal to Maximum Annual Debt Service on the bonds. For additional security to provide against any short term gap that could develop between debt service requirements and receipt of Tax Revenues as a result of a change in the date or dates upon which the Tax Revenues are paid into the Special Fund, the Agency has the power to issue prior lien short term notes to finance bond service, repayable from Tax Revenues in the same fiscal year.

The bonds are not a debt of the City of Pinole, the State of California, or any of its subdivisions, and neither said city, state nor any of its political subdivisions is liable therefor. The bonds do not constitute an indebtedness within the meaning of any constitutional or statutory limit or restriction.

The constitutionality of California's public school financing system has been challenged in litigation now pending. Until the case is resolved, it cannot be determined what effect, if any, there will be on tax allocation financing.

Issuance of Additional Bonds

Additional tax allocation bonds on a parity with the bonds may be issued to pay costs of the project provided:

1. The Agency is in compliance with all covenants set forth in the Resolution.
2. Tax Revenues produced from the most recent assessed valuation of taxable property in the redevelopment project area (plus, at the option of the Agency, estimated additional Tax Revenues to be received within any of the next three years following the date the computation is made, due to increases in assessed valuations, based on construction in progress, as shown by a certificate or opinion of an independent engineer) are at least equal to 1.25 times the proposed Maximum Annual Debt Service.

3. Bond proceeds are deposited in the Reserve Account in an amount sufficient to bring the Reserve Account up to the proposed Maximum Annual Debt Service.
4. The additional bonds mature on May 1 and interest thereon is payable on the same dates as on the previously issued bonds. The additional bonds are to be callable not earlier than May 1, 1986.

Refunding Bonds

The Agency may issue refunding bonds for the purpose of paying or retiring outstanding bonds subject to their applicable redemption provisions.

Investment of Funds

All moneys in the Redevelopment Fund and all moneys held by the Fiscal Agent pursuant to the Resolution, including time or demand deposits, must be secured at all times by obligations eligible to secure deposits of public moneys and must be of a market value at least equal to the amount required by law.

Moneys in the Redevelopment Fund and the Special Fund may, and upon written request of the Agency shall, be invested as provided by law. Under the terms of the Resolution, Redevelopment Fund investments must mature not later than six months after the dates estimated by the Agency that such funds will be required. Special Fund investments must mature in such a manner as to assure that moneys will be available to meet debt service payments as required, with Reserve Account investments limited to maturities of not over five years.

Other Covenants

Other covenants of the Agency under the Resolution are summarized below:

1. The project will be completed with all practicable dispatch in a sound and economical manner and in accordance with the Redevelopment Plan and the Community Redevelopment Law. The Redevelopment Plan may be amended as provided in the law but no amendment shall be made which would substantially impair the security of the bonds or the rights of the bondholders, as shown by an opinion of counsel.
2. The Agency will manage and operate all properties owned by it and comprising any part of the Redevelopment Project in a sound and businesslike manner.
3. No other obligations payable from Tax Revenues will be issued having a lien upon the Tax Revenues superior to the bonds, except as permitted by the resolution regarding short term notes or refunding bonds, or, unless in compliance with the restrictions in the Resolution, on a parity with the bonds.
4. The Agency will punctually pay, or cause to be paid, the principal and interest becoming due on the bonds.
5. The Agency will punctually pay, or cause to be paid, any lawful governmental charges imposed and all claims for labor, materials and supplies which if unpaid might become a lien or charge which might impair the security of the bonds.
6. The Agency will at all times keep, or cause to be kept, proper and current books and accounts (separate from other records and accounts) in which complete and accurate entries will be made of all transactions relating to the redevelopment project and the Tax Revenues, and will prepare within 120 days after the close of each fiscal year a complete financial statement covering the redevelopment project and Tax Revenues, certified by a certified public accountant selected by the Agency, copies of which will be furnished to any bondholder upon written request.
7. The net proceeds realized by the Agency from any eminent domain proceeding will be deposited in the Special Fund for the purpose of paying principal and interest on the bonds.
8. The Agency will not dispose of more than 10% of the land area in the redevelopment project area to public bodies or other entities whose property is tax exempt (other than property shown by the Redevelopment Plan as planned for such ownership, such as parks, civic center sites, historical sites and schools, or property to be used for public streets, off street parking, sewage facilities, utility easements and the like) if as a result of such action the security of the bonds or the rights of the bondholders will be substantially impaired (in the opinion of bond counsel).
9. The Agency will protect and defend the security of the bonds and the rights of the bondholders and will take no action to impair the tax exempt status of the bonds.

Remedies

Any bondholder has the right of mandamus or other appropriate remedy to compel the performance by the Agency and its members of the duties imposed by the Resolution and by the Community Redevelopment Law.

Amendment of the Resolution

The resolution may be modified or amended only with the consent of holders of 60 percent of all bonds and additional bonds then outstanding (exclusive of issuer-owned bonds), unless the modification or amendment is for the purpose of curing ambiguities, defects, etc. having no adverse effect on bondholder rights, in which case no bondholders' consent is required. No modification or amendment will extend the maturity, reduce the interest rate or principal amount payable or reduce the percentage of consent required for amendment without the express consent of the bondholder.

PINOLE REDEVELOPMENT AGENCY

Authority and Personnel

The Pinole Redevelopment Agency was activated in 1972 by an Ordinance of the Pinole City Council pursuant to the California Community Redevelopment Law (Section 33000 et. seq. of the Health and Safety Code). The City Council sits as the governing board of the Agency.

The current Chairman of the Agency is James F. Chakedis, who is also the Mayor of the City. Mr. Chakedis is a marketing executive with California Canners and Growers in San Francisco. Mr. Chakedis has resided in Pinole for many years, previously served on the Planning Commission, and was elected to the City Council in March of 1974, with his present term expiring in 1978. The Agency's Vice Chairman is Donald E. Tormey who also serves as Mayor pro Tempore of the City. Mr. Tormey, an executive with Standard Oil Company of California, was first elected to the City Council in April, 1970, was reelected in 1974 for a second four year term, and served on the City's Planning Commission before being elected to the Council. Mr. Tormey is also a long-time resident of Pinole. Mr. Robert A. Shadley has been a resident of Pinole for the past 20 years. He has been on the Council since 1963, served as Mayor twice, and his current term expires in 1976. Mr. Robert M. "Mike" Smith was elected to the City Council in 1974 having served previously on the Parks and Recreation Commission. Mr. James A. Blyler, an eight-year resident of Pinole, was elected to the Council in November, 1974, at a special election to fill a vacancy on the Council. His current term expires in 1976.

The Executive Director for the Redevelopment Agency is the City Manager, Edward G. Wohlenberg.

Mr. Wohlenberg was appointed City Manager in 1971 and has compiled extensive experience in governmental management. The Agency Attorney is Steven H. Goldfarb who specializes in redevelopment law for several Northern California agencies.

The Pinole Redevelopment Agency does not maintain any staff but utilizes those available in the various City departments. The Agency utilizes City departments for services in the fields of Community Development, Public Works, Engineering and Finance.

Powers

All powers of the Agency are vested in the governing board which is the City Council. Under the Community Redevelopment Law, the Agency is a separate public body and exercises governmental functions in planning and carrying out redevelopment projects.

The Agency can cause streets and highways to be laid out and graded and pavements, sidewalks, and public utilities to be constructed and installed and can develop as a building site any real property owned or acquired.

The Agency may, out of any funds available to it for such purposes, pay for all or part of the value of land and the cost of buildings, facilities, structures or other improvements to be publicly owned, if such improvements are determined to be of benefit to the redevelopment project area.

The Agency may sell or lease remaining property within a project for redevelopment in conformity with the Redevelopment Plan, and may specify a period within which such redevelopment must begin and be completed.

THE PROJECT

The Pinole Vista Redevelopment Project Plan was adopted by the Pinole City Council on November 22, 1972. The redevelopment project area extends over some 880 acres of the City of Pinole, covering about one-third of the City's land area. The project area includes most of the existing non-residential areas of the City, several residential neighborhoods, large tracts of undeveloped residential land, and several areas with potential for commercial development.

The Agency objectives for the redevelopment project area, as adopted on November 22, 1972, are as follows:

1. Acquisition and development of new parks and recreational facilities within the project area.
2. Beautification activities to eliminate visual blight.
3. Creation of a more cohesive and unified Pinole community by strengthening the physical, social, and economic ties between neighborhoods on both sides of the Interstate 80 freeway.
4. Upgrade the downtown of Pinole to encourage businesses, activities, and public uses which meet the needs of Pinole residents.
5. Promote and assist the development of needed commercial activities.
6. The Redevelopment Agency may acquire and develop a centrally located activity center, located on a site somewhere within the redevelopment project area.

Project Area tax increments to date have been used to implement these objectives in street improvements, recreational facilities and extensive Project Area planning and feasibility studies. Nearing completion is a Project Area in-depth planning and urban design study by Rockrise Odermatt Mountjoy Amis, consultants of San Francisco augmented by financial and economic marketing studies by Keyser Marston Associates of San Francisco.

Legality of Redevelopment Plan

On January 19, 1973 certain individuals brought an action against the Agency to determine the validity of the Pinole Vista Redevelopment Project plan and the validity of the proceedings in connection thereto. On March 20, 1974 judgment was entered in favor of the Agency with respect to said suit. The court determined that all actions taken by the Agency and the city in creating the Pinole Vista Redevelopment Project plan were valid and in all respects lawful and that the Pinole Vista Redevelopment Project plan is in all respects valid and lawful. The judgment was initially appealed; however, on April 26, 1974, said appeal was waived and the judgment is now final in all respects.

Also involved in the litigation was the question of whether or not the adoption of a redevelopment plan is subject to a referendum. The matter was tried and subsequently appealed and on August 13, 1973 the California Court of Appeals for the first appellate district determined that it was not subject to a referendum. There were no appeals from the appellate decision.

San Francisco Bay Conservation and Development Commission

The San Francisco Bay Conservation and Development Commission (BCDC) is a public body whose function and purpose is to protect and preserve the San Francisco Bay for the use and enjoyment of the public. BCDC has jurisdiction over project approvals which lie within 100 feet of the mean high tide line of the San Francisco Bay. The policies of BCDC are to provide public access to the Bay and assure that development surrounding the Bay is consistent with the public's use and enjoyment of that area. A small portion of the redevelopment project area is contiguous to the Bay and within BCDC jurisdiction. However, as the intended use of the redevelopment plan is consistent with the BCDC plan for the Bay, no difficulties are anticipated by the Agency in obtaining BCDC approval for agency activities in this area.

Application of California Environmental Quality Act

The projects to be undertaken by the Agency are subject to the California Environmental Quality Act of 1970 ("CEQA"), as amended, which requires the preparation, distribution and consideration of Environmental Impact Reports ("EIR's"). An EIR was prepared, distributed and considered by the Agency for the Pinole Vista Redevelopment Project dealing with the general potential impact of the redevelopment project upon the project area. While subsequent guidelines for the implementation of CEQA allow the preparation of a single EIR for all public and private activities or undertakings pursuant to a redevelopment plan, the above mentioned EIR for the redevelopment project was prepared prior to the adoption of any guidelines and the EIR expressly provided for the preparation of additional EIR's for individual projects. The preparation of such EIR's and the review process requires submission of the EIR's to appropriate public agencies, private persons and public hearings at which the EIR's and all comments thereon are considered. This process could have the effect of delaying or preventing the implementation of one or more of the individual projects in the redevelopment project area. Although it is not known at this time what the ultimate determination will be with respect to individual projects proposed by the Pinole Redevelopment Agency, the nature of individual projects to be initiated as part of Phase I, more fully described below, is such that the Agency anticipates compliance with the requirements of CEQA should not have a significant effect on the Agency's ability to proceed.

First Phase Project

The overall development contemplated by the Agency is designed to enhance the residential character of the city by encouraging the necessary development to meet the needs of Pinole residents.

The following summary of proposed and possible public improvements represents the first phase of development by the Agency to implement the specific objectives and goals of the Pinole Vista Redevelopment Project Plan. The public improvements are designed to facilitate implementation of the primary Project objectives: commercial development with attendant transportation elements and the open space and recreation program for portions of the Project Area. The improvements will be financed both from bond proceeds and other revenues including possible proceeds received from land sales or surplus tax increment moneys available after all bond service costs have been met.

Streets

Certain new and reconstructed streets will be provided, together with sidewalks, lighting, curbs, gutters and landscaping.

Sanitary and Storm Drains

As needed for the street and related developments, sanitary and storm sewer additions and replacements will be provided.

Land Acquisition and Site Improvements

As necessary to implement the objectives of the plan, land may be acquired, and site improvements made.

Open Space and Recreation

Among the programs planned are improvements to Fernandez Park, acquisition of and improvements to at least one new park site and trail systems, and open space development.

Agency Revenues and Expenditures to Date

The Agency has collected approximately \$390,000 from its tax allocation for the years 1973/74 and 1974/75. This money has been used to finance preliminary engineering and feasibility studies; recreation, park, and street improvements in the redevelopment project area; and litigation in connection with the redevelopment project.

Disposition of Bond Proceeds

Proceeds of sale of the bonds may reasonably be expected to be used for public improvements in the Project Area, including construction of streets and sidewalks, water connections, street lighting and landscaping and sanitary and storm sewers; acquisition and improvement of open space elements of the project area plan; land acquisition and site improvements; reimbursement to the City for advances for development work; and payment of the costs of issuance of the bonds.

TABLE 1
SUMMARY OF PROPOSED APPLICATION OF BOND PROCEEDS

Streets	\$ 300,000
Sanitary and storm sewers	230,000
Land acquisition and site improvements	600,000
Open space and recreation	746,000
Reimbursement to City for advances	100,000
Financing costs (including allowance for discount)	150,000
Reserve fund allowance	224,000*
Total	\$2,350,000

* Based on maximum interest rate of 8%.

ESTIMATED TAX REVENUES AND BOND RETIREMENT

Assessed Valuation

The Assessor of Contra Costa County assesses all taxable property in the project area except public utility property, which is assessed by the State Board of Equalization. The assessments are considered to be made at about 25 percent of market value.

The valuation of secured property is established as of March 1 of each year, is subsequently equalized in August, and the first installment of taxes becomes payable the following November. Taxes are due to be received by the Contra Costa County Tax Collector on or before the delinquency dates of December 10 and April 10 for each installment of the taxes levied.

The assessed valuation in the Project Area was frozen in 1972/73 (the base year). The 1975/76 assessed valuation in the area showed an increase over the base year of \$2,875,229, and the 1975/76 tax allocation to the agency is \$364,807.

The 1975/76 assessed valuation in the project area is \$8,733,886. The frozen base is \$5,858,657. Table 2 shows the growth of assessed valuation and the tax collection since the base year.

Based on construction in progress and proposed and projected development, the City Community Development and Finance Departments have estimated the tax allocations through 1978/79.

These estimates are shown in Table 3. The tax allocation is based on a tax rate of \$12.66 which is the lowest rate levied in any code area in 1975/76 in the redevelopment project area.

TABLE 2
ACTUAL GROWTH IN ASSESSED VALUATIONS AND
TAX ALLOCATION

<i>Year</i>	<i>Assessed Valuation Over Base Year</i>	<i>Tax Allocation</i>
1973/74	\$1,092,690	\$148,889
1974/75	1,839,488	241,956
1975/76	2,875,229	364,807

Source: Auditor-Controller of Contra Costa County.

TABLE 3
ESTIMATED GROWTH IN ASSESSED VALUATIONS
AND TAX ALLOCATION

<i>Year</i>	<i>Estimated Assessed Valuations Over Base Year</i>	<i>Estimated Tax Allocation</i>
1976/77	\$3,000,000	\$379,800
1977/78	4,000,000	506,400
1978/79	5,400,000	683,640

Source: City Finance and Community Development Departments.

Property Taxes

Taxes derived each year beginning in 1975/76 from the levy and collection of taxes on any increase in the assessed valuation of land, improvements, personal property and public utility property in the project over and above the base roll for such property (Tax Revenues) are to be deposited in the Special Fund administered by the Fiscal Agent and applied as previously discussed on page 3.

In 1975/76 there were eight tax code areas comprising the project area. Tax rates ranged from \$12.66 to \$13.93 per \$100 of assessed value. Tax Revenue projections for future years were based on the lowest rate levied in 1975/76.

Estimated Debt Service and Bond Coverage

Table 4 shows debt service based on the maximum interest rate of eight percent. The actual 1975/76 increment of \$364,807 covers the 1976/77 debt service 1.64 times and the highest debt service payment (occurring in 1984/85) 1.63 times. If the assessed valuation projected for 1978/79 is realized, maximum debt service would have a coverage ratio of over 3.0.

TABLE 4
PINOLE REDEVELOPMENT AGENCY
ESTIMATED DEBT SERVICE

<i>Year Ending June 30</i>	<i>Principal Maturing May 1</i>	<i>Interest at 8%</i>	<i>Total Maximum Debt Service</i>
1976	\$ —	\$ 94,000	\$ 94,000
1977	35,000	188,000	223,000
1978	35,000	185,200	220,200
1979	40,000	182,400	222,400
1980	40,000	179,200	219,200
1981	45,000	176,000	221,000
1982	50,000	172,400	222,400
1983	55,000	168,400	223,400
1984	60,000	164,000	224,000
1985	65,000	159,200	224,200
1986	70,000	154,000	224,000
1987	75,000	148,400	223,400
1988	80,000	142,400	222,400
1989	85,000	136,000	221,000
1990	90,000	129,200	219,200
1991	95,000	122,000	217,000
1992	100,000	114,400	214,400
1993	110,000	106,400	216,400
1994	115,000	97,600	212,600
1995	125,000	88,400	213,400
1996	135,000	78,400	213,400
1997	145,000	67,600	212,600
1998	160,000	56,000	216,000
1999	170,000	43,200	213,200
2000	180,000	29,600	209,600
2001	190,000	15,200	205,200
	\$2,350,000	\$3,197,600	\$5,547,600

CITY FINANCIAL AND ECONOMIC DATA

Assessed Valuation

The City of Pinole utilizes the facilities of Contra Costa County for the assessment and collection of taxes for city purposes. City taxes are assessed and collected at the same time and on the same tax rolls as are county, school, and special district taxes.

Taxes are payable in two installments on November 1 and February 1, and become delinquent on December 10 and April 10, respectively.

The State Board of Equalization reports the 1975/76 Contra Costa County assessed valuation to average 25.0 percent of full value, as does that of public utility property, which is assessed by the state.

Under amendments adopted in 1968 to the Constitution and Statutes of the State of California, two types of exemptions of property from ad valorem taxes were authorized beginning in the taxable year 1969/1970. The first of these exempts 50 percent of the assessed valuation of business inventories from taxation. The second provides for exemption of \$1,750 of the assessed valuation of an owner-occupied dwelling for which application has been made to the county assessor. Revenue estimated to be lost to local taxing agencies due to such exemptions, however, is to be reimbursed from state sources. Such reimbursement is based upon total taxes due upon such exempt values and therefore is not reduced by any amount for estimated delinquencies.

TABLE 5
CITY ASSESSED VALUATION

	1974/75	1975/76
Assessed Valuation for Revenue Purposes		
Local secured	\$33,911,824	\$37,537,118
Utility	1,163,800	1,200,410
Unsecured	1,299,033	1,559,381
Total	\$36,374,657	\$40,296,909
Business Inventories and Homeowners' Exemptions		
Local secured	\$ 6,128,019	\$ 6,284,495
Utility	—	—
Unsecured	205,055	222,735
Total	\$ 6,333,074	\$ 6,507,230
Net Assessed Valuation		
Local secured	\$27,783,805	\$31,252,623
Utility	1,163,800	1,200,410
Unsecured	1,093,978	1,336,646
Total	\$30,041,583	\$33,789,679

Source: Office of Contra Costa County Auditor-Controller.

Tax Rates, Levies, and Delinquencies

Contra Costa County operates under statutory provisions by which cities in the county may receive their total secured tax levies regardless of actual payments and delinquencies. The county establishes a delinquency reserve and assumes responsibility for all secured delinquencies.

Because of this method of tax collection, the City of Pinole is assured of 100 percent collection of its annual tax levy on secured property. An indication of tax collections can be obtained from the history of collections of all entities levying taxes within the city limits of Pinole. A six-year history of these collections and the entire Contra Costa County tax levies with delinquencies and guarantee fund cash balances are shown in the tabulations at right.

The city tax rate for 1975/76 is \$1.928 per \$100 of assessed valuation. The total tax rates within the city range from \$12.66 to \$13.93. Table 8 shows a breakdown of a representative tax rate (code area 6007) which is in the redevelopment area and which has a 1975/76 assessed valuation of \$5,748,675.

TABLE 6
CITY TAXABLE ASSESSED VALUATIONS, SECURED TAX LEVIES,
TAX COLLECTIONS, AND DELINQUENCIES

<i>Fiscal Year</i>	<i>Taxable Assessed Valuation in City</i>	<i>Secured Tax Levy (All Taxing Agencies)</i>	<i>Amount Delinquent June 30</i>	<i>Percent Delinquent June 30</i>
1969/70	\$20,564,040	\$2,415,634	\$49,533	2.05%
1970/71	21,234,924	2,754,856	48,241	1.75
1971/72	25,312,422	3,434,126	47,787	1.39
1972/73	27,245,234	3,863,994	67,879	1.76
1973/74	27,798,885	3,924,739	32,328	0.82
1974/75	30,041,583	4,092,285	32,699	0.80

Source: Office of Contra Costa County Auditor-Controller.

TABLE 7
CONTRA COSTA COUNTY SECURED TAX LEVIES, DELINQUENCIES,
AND GUARANTEE FUND BALANCES

<i>Fiscal Year</i>	<i>Total Secured Tax Levy</i>	<i>Amount Delinquent June 30</i>	<i>Percent Delinquent June 30</i>	<i>Guarantee Fund Cash Balance June 30</i>
1969/70	\$168,953,366	\$3,694,654	2.19%	\$3,802,652
1970/71	201,084,408	3,666,637	1.82	4,310,968
1971/72	223,579,827	4,058,140	1.82	4,965,476
1972/73	235,709,379	3,896,245	1.65	5,645,668
1973/74	239,381,720	3,749,301	1.57	6,692,028
1974/75	261,860,435	5,283,952	2.02	7,515,195

Source: Office of Contra Costa County Auditor-Controller.

TABLE 8
1975/76 TAX RATE APPLICABLE TO PROJECT AREA
TAX CODE AREA 6007

Contra Costa County	\$ 2.656
Richmond Unified School District (General)	5.427
School district bonds	0.319
All other school purposes	0.263
City of Pinole	1.928
Contra Costa Junior College	0.727
San Francisco Bay Area Rapid Transit District	0.447
East Bay Municipal Utility District	0.136
West Contra Costa Hospital District	0.162
East Bay Regional Park District	0.198
Contra Costa County Library Service Area 10	0.150
All other purposes	0.271
Total	\$12.684

Source: Office of Contra Costa County Auditor-Controller.

Revenues and Expenditures

Table 9 presents a summary of the revenues of the City of Pinole, as reported by the city finance department.

TABLE 9
CITY REVENUES AND EXPENDITURES

	1969/70	1970/71	1971/72	1972/73	1973/74	1974/75
REVENUES						
Property taxes	\$ 406,742	\$ 421,664	\$ 499,817	\$ 532,628	\$ 517,770	\$ 544,006
Subventions and grants	241,611	290,213	1,268,031	760,605	785,193	470,471
Sales and use tax	104,154	114,183	133,207	142,852	181,221	225,140
Licenses, permits and franchises	36,226	54,289	71,491	87,011	61,152	48,989
Sewer service charges	61,524	63,414	195,615	210,083	231,912	244,845
Other service charges	100,674	110,244	158,114	161,550	280,132	352,388
Cigarette tax	33,446	36,936	37,991	36,943	39,394	40,415
Fines and forfeits	25,491	27,116	24,568	15,320	20,420	17,714
Use of money and property	12,596	13,952	40,982	60,685	96,615	116,632
All other	54,257	53,486	1,139,204	51,180	48,464	17,265
Total Revenue	\$1,076,721	\$1,185,497	\$3,569,020	\$2,058,857	\$2,262,273	\$2,077,865
OPERATING EXPENSES						
General government	\$ 214,274	\$ 290,501	\$ 295,989	\$ 330,670	\$ 359,378	\$ 402,062
Police protection	232,516	263,719	298,339	346,525	356,657	409,140
Fire protection	163,526	174,974	206,868	230,233	224,412	270,862
Sewerage system operations	43,916	63,263	63,591	77,954	134,767	160,328
Street maintenance and lighting	135,011	180,515	128,358	203,142	109,945	128,615
Engineering and administration	35,467	23,093	24,893	34,999	36,943	45,854
Parks and recreation	69,002	87,248	115,024	124,213	122,416	140,771
Building regulation	20,779	19,062	25,517	20,367	25,370	20,319
All other	23,621	1,598	1,361	4,283	14,992	3,617
Subtotal	\$ 938,112	\$1,103,973	\$1,159,940	\$1,372,386	\$1,384,880	\$1,581,568
Capital Outlay	\$ 68,982	\$ 177,431	\$1,251,454	\$1,004,086	\$ 310,681	\$ 365,085
Bond Service	\$ 5,500	\$ 5,300	\$ 5,100	\$ 105,473	\$ 87,295	\$ 85,545
Total Expenditures	\$1,012,594	\$1,286,704	\$2,416,494	\$2,481,945	\$1,782,856	\$2,032,198

Source: City Finance Department.

Direct and Overlapping Debt

The City of Pinole has a total of \$1,000,000 of outstanding general obligation bonds and there are no authorized but unsold bonds.

Table 10 presents a statement of the city's direct and overlapping bonded debt as of December 15, 1975. The redevelopment project in the city will, to the extent of its frozen base assessed valuation, continue to contribute its proportionate share of taxes toward servicing the indicated indebtedness.

TABLE 10
CITY DIRECT AND OVERLAPPING BONDED DEBT*

1975 population	15,337	
1975/76 assessed valuation	\$40,296,909†	
Estimated market value	\$161,200,000‡	

<i>Entity</i>	<i>Percent Applicable</i>	<i>Debt Applicable December 15, 1975</i>
San Francisco Bay Area Rapid Transit District	0.396%	\$2,979,702
Contra Costa County and Authorities	1.430	53,174§
Contra Costa County Junior College District Authority	1.430	37,895
East Bay Municipal Utility District	0.938	1,189,525
Alameda-Contra Costa Transit District, Special District No. 1	0.005	285
Richmond Unified School District	5.755	247,465
Richmond Unified High School District (various issues)	5.737-5.755	359,924
Pinole-Hercules Unified School District	36.366	243,289
City of Pinole	100.	1,000,000
TOTAL GROSS DIRECT AND OVERLAPPING BONDED DEBT		\$6,111,259
Less: East Bay Municipal Utility District (90% self-supporting)		1,070,573
TOTAL NET DIRECT AND OVERLAPPING BONDED DEBT		\$5,040,686

	<i>Ratio to</i>		<i>Per Capita</i>
	<i>Assessed Valuation</i>	<i>Estimated Market Value</i>	
Assessed valuation	—	—	\$2,627
Direct debt	2.48%	0.62%	65
Gross direct and overlapping debt	15.17	3.79	398
Net direct and overlapping debt	12.51	3.13	329

* Compiled in cooperation with California Municipal Statistics, Inc.

† Before business inventory and homeowners' exemptions.

‡ Based on assessment at 25% of full value.

§ Excludes \$126,978 city share of \$8,879,572 Contra Costa County lease purchase obligations.

Regional Characteristics and Demographics

The following paragraphs concerning the City of Pinole and surrounding areas are included only for the purpose of supplying general information with regard to the areas relating to the Pinole Vista Redevelopment Project.

The City of Pinole is located in western Contra Costa County approximately 25 miles northeast of San Francisco and 15 miles north of Oakland. The city was incorporated in 1903 and has a 1975 population of 15,337, up 15% from 1970. The city served as a small social and trading center for the surrounding agricultural areas until the 1950s when it began to acquire a more suburban character as a result of increasing employment opportunities in the San Francisco Bay Area. It is adjacent to Alameda County's industrialized center.

Pinole is primarily residential, and its residents have a median annual income of \$17,000 per household as shown in the 1975 Special Census of Contra Costa County conducted by the County Planning Department under a grant from the State of California. The City is acting to broaden its tax base and revitalize its central business area by implementation of the redevelopment project.

The County of Contra Costa is one of nine counties which surround the San Francisco Bay and form an economic and geographic entity known as the Bay Area. Although one of the smallest in land area, Contra Costa is ninth in population among the 58 counties of California, with a population numbering 582,829. It covers a land area of 734 square miles.

The county is bounded on the west by San Francisco Bay and its northerly extension, San Pablo Bay. On its north are the Carquinez Straits, Suisun Bay, and the lower reaches of the San Joaquin River. The western part of the county is highly developed, residentially and industrially. The highest concentration of residential

development is in the Cities of Richmond, El Cerrito, San Pablo and Pinole.

The county in general is ideally suited for industrial development with its 65 miles of waterfront, proximity of the Bay Area counties, and its superior network of transportation facilities.

Agriculture, concentrated in the eastern part of the county, and a large scientific research and development complex in the central portion of the county, afford diversity and balance to Contra Costa's economy.

Population growth in recent years has been more rapid in Contra Costa County than in the Bay Area in general. Features such as a temperate climate, abundance of good housing sites, access to the rest of the Bay Area by the network of freeways linking the area and the recently completed Bay Area Rapid Transit system, make Contra Costa County and the City of Pinole attractive for residential development. The pattern of urbanization has been influenced by topographical conditions conducive to the development of a diversity of industry in surrounding areas, but much of the open space in the area has been preserved, providing a pleasant outdoor environment for residents.

Population growth in the City of Pinole and Contra Costa County since 1960 is shown in Table 11.

TABLE 11
POPULATION GROWTH

	1960*	1970*	1975†
City of Pinole	6,064	13,266	15,337
Contra Costa County	409,030	555,805	582,829

* U. S. Census.

† State Department of Finance special census.

TABLE 12
MAJOR EMPLOYERS IN WESTERN CONTRA COSTA COUNTY*

<i>Firm</i>	<i>Number of Employees</i>
Standard Oil Company of California, Western Operations, Inc.	2,400
California & Hawaiian Sugar Company	1,330
Chevron Research Company	1,050
Shell Oil Company, Martinez	950
Safeway Stores, Inc.	800-1,500
Consolidated Fibres, Inc.	750
Phillips Petroleum	720
Union Oil Company of California, San Francisco Refinery	550
United Grocers, Ltd.	510
Bethlehem Steel Corporation	500
Chevron Chemical Company, Ortho Division	500
Williamette Iron & Steel Company	500
University of California, Richmond Field Station	350
Rheem Manufacturing Company	300
Ford Motor Company, Parts Depot	238
Atlas Foundry & Mfg. Company	200
Brown Newspaper Publishing Co., Inc.	196
Certain-Teed Products Corporation	190
American Standard, Inc.	180
Stauffer Chemical Company	180
Toltec Foods, Inc.	175
Wiegmann & Rose Machine Works, Inc.	175
Badger Meter, Inc.	160
International Harvester Company	160
Hercules Incorporated	150
La Tolteca Foods Company	150
Myers Drum Company	130
Dennison-Eastman Corporation	130
Boericke & Runyon	125
Noll Manufacturing Company	125
Bio-Rad Laboratories	120
Veriflo Corporation	120
Sequoia Refining Corporation	115
Baroni French Baking Co.	115
California Peanut Company	110
Amot Controls Corporation	100
Crown Cork & Seal Company, Inc.	100
LFE Environmental Analysis Laboratories	100
Richmond Export Services	100

* None of these companies is in the project area or the city and none generates any tax revenues to the Agency or city.

Source: Contra Costa County Development Association.

Employment and Industry

While there are no major industries located in the project area or the city, Pinole residents are in proximity to the labor market areas of western Contra Costa and Alameda Counties and within easy commuting distance of the San Francisco labor market area. The many large industrial firms in western Contra Costa County include the county's largest employer, the Standard Oil Company of California refinery at Richmond, with its Chevron Research and Chemical divisions, California & Hawaiian Sugar Company at Crockett, and Bethlehem Steel at Pinole Point.

Table 12 is a listing of major employers in western Contra Costa County, all of which are within a 15 minute commute from Pinole. None of the companies are located within the project area, and therefore none of the tax revenues collected from these companies are available for payment of the bonds.

In Alameda, Contra Costa, and San Francisco Counties, employment figures have shown more than a 20 percent increase over the last decade, from 883,100 in 1964 to 1,061,800 in 1974. Expanding employment opportunities have kept pace with population growth in the three counties. Table 13 shows non-agricultural civilian employment figures for the labor market areas of these three counties from 1964 to 1974. As shown in the table, the largest categories of employment in 1974 were government, trade, services, and manufacturing, with government and trade each accounting for 21 percent of total employment, services accounting for almost 20 percent, and manufacturing totalling 15 percent.

The policy in Contra Costa County of maintaining a relatively low tax rate has encouraged industry. Leading types of industry in the county are petroleum refining, metal production, and food and chemical processing. Heavy industrial development in the county has been very feasible because of the unique geographical situation which affords an abundance of transportation facilities by ocean, air, rail and highway. Industrial expansion in the county has averaged \$75 million a year for the last 20 years and in some years has reached \$200 million or more.

Agriculture, concentrated in the eastern portion of the county, has continued to be an important part of the county's economy despite the high degree of urbanization and accompanying transformation of farming methods which have led to a decline in agricultural employment in the area as a whole. Table 14 shows gross receipts from agricultural production in Contra Costa County for the year 1974.

The Bay Area is an important wholesaling and distribution center in the west. In 1972, the latest figures available, wholesale trade volume in the San Francisco-Oakland standard metropolitan statistical area, as reported by the U.S. Department of Commerce, was \$17,790,499,000 as compared with \$12,405,223,000 in 1967. The five-county area (which includes Alameda, Contra Costa, Marin, San Francisco and San Mateo Counties) accounted for over 25 percent of the \$69,058,678,000 California total of wholesale trade sales in 1972. Every type of wholesaling operation is found within the area, including warehousing and storage facilities and other necessary related services.

TABLE 13
EMPLOYMENT

	1964	1969	1974
Government			
Alameda County	80,100	107,300	105,900
Contra Costa County	20,000	29,200	33,100
San Francisco County	77,100	93,500	88,200
Total	177,200	230,000	227,200
Trade			
Alameda County	70,400	83,000	95,200
Contra Costa County	21,000	28,500	36,400
San Francisco County	99,300	99,600	92,900
Total	190,700	211,100	224,500
Services			
Alameda County	44,500	62,500	73,500
Contra Costa County	12,800	20,200	24,500
San Francisco County	81,900	95,300	110,300
Total	139,200	178,000	208,300
Manufacturing			
Alameda County	76,300	86,300	86,000
Contra Costa County	27,200	28,500	26,500
San Francisco County	62,200	57,100	50,000
Total	165,700	171,900	162,500
Transportation, Communications and Utilities			
Alameda County	26,100	34,000	32,700
Contra Costa County	6,600	9,000	10,100
San Francisco County	51,400	61,300	52,500
Total	84,100	104,300	95,300
Finance, Insurance, Real Estate			
Alameda County	13,600	16,300	21,700
Contra Costa County	3,100	4,300	6,400
San Francisco County	55,300	65,000	69,400
Total	72,000	85,600	97,500
Construction			
Alameda County	22,100	21,400	16,300
Contra Costa County	10,200	11,000	8,600
San Francisco County	20,000	20,000	19,900
Total	52,300	52,400	44,800
Miscellaneous			
Alameda County	1,300	1,100	1,000
Contra Costa County	300	200	300
San Francisco County	300	400	400
Total	1,900	1,700	1,700
Total	883,100	1,035,000	1,061,800

Source: State of California Department of Employment Development.

Taxable sales in the City of Pinole in 1974 amounted to \$18,689,000. This figure has doubled over the past five years, with additional annexation and rezoning for commercial uses.

In Contra Costa County taxable sales for 1974 were \$1,644,650,000 and in conjunction with Alameda and San Francisco Counties reached a volume of \$8,083,616,000 which was over half of the total retail sales recorded in the nine-county Bay Area.

The Bay Area is one of the leading consumer markets in the nation. Table 15 shows retail sales for the counties of Alameda, Contra Costa and San Francisco for 1965 through 1974.

Transportation

The City of Pinole is bisected by Interstate 80, a major eastbound route, which provides access to points in the Bay Area, Sacramento, and the central valley.

The Bay Area's fine natural harbors and strategic location with respect to western United States markets and the entire Pacific Basin have been major factors in the area's economic development. There are seven general purpose ports within the Bay and numerous private facilities serving the needs of manufacturing installations along the shores of the Bay. In terms of tonnage, Richmond is the area's leading port, due to the large volume of petroleum handled, and Oakland is the largest container port in the western U.S.

TABLE 14
1974 CONTRA COSTA COUNTY GROSS VALUE OF
AGRICULTURAL CROPS AND PRODUCTS

Apiary products	\$ 12,564
Field crops	10,642,800
Fruit and nut crops	5,988,400
Livestock and poultry	12,730,550
Livestock and poultry products	3,151,300
Nursery products	7,996,000
Seed crops	42,000
Vegetable crops	12,659,200
Total	\$53,222,814

Source: Contra Costa County Department of Agriculture.

TABLE 15
SAN FRANCISCO BAY AREA TAXABLE SALES

	1965	1969	1974
Alameda County	\$1,956,724,000	\$ 2,392,676,000	\$ 3,544,533,000
Contra Costa County	658,162,000	897,625,000	1,644,650,000
City and County of San Francisco	1,938,487,000	2,281,352,000	2,894,433,000
Total	\$4,553,373,000	\$ 5,571,653,000	\$ 8,083,616,000
Bay Area Total	\$7,682,609,000	\$10,017,358,000	\$15,900,417,000

Source: State Board of Equalization.

The three major railroads in the area, The Atchison, Topeka and Santa Fe, the Southern Pacific, and the Western Pacific, provide a link to all sections of the country and a central geographic location from which manufacturers can serve the western market. Regularly scheduled freight and piggyback trains provide fast and dependable service between Bay Area terminals and other major cities.

Major terminals for a multitude of trucking firms, including the largest trucking companies in the nation, are located in the Bay Area. The region is served by San Francisco and Oakland International Airports and by the San Jose municipal airport in Santa Clara County.

The Bay Area Rapid Transit system, a billion dollar, 75-mile system, links Oakland and San Francisco with East Bay suburbs as far north and east as Concord and as far south as Fremont.

The BART district includes Alameda, Contra Costa and San Francisco Counties. It began operations in 1973, and in 1974 the four-mile trans-bay tube connecting San Francisco and Oakland was opened. The system serves Pinole residents from its El Cerrito-Del Norte station which is within eight miles driving distance of the City of Pinole, and express bus service is provided between the city and this station.

Education Facilities

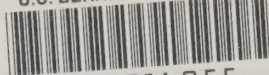
The City of Pinole is served by the Richmond Unified School District which provides education on elementary and secondary levels. The State of California has four types of institutions of higher learning: the University of California, the California State College system, the community colleges, and private, independent colleges and universities. Residents of the City of Pinole have access to a large number of these, including the University of California at Berkeley which is only a 15 minute drive from Pinole, Contra Costa Jr. College which is only 5 miles away, and numerous others.

Recreational and Cultural Facilities

There is an almost unlimited variety of recreational activities in the Bay Area. The year around temperate climate makes outdoor recreation exceptionally attractive, and residents enjoy not only a wealth of choices locally, such as swimming, fishing, boating, hiking, golf, and tennis, but are within a four hour drive of such scenic and recreational attractions as the Sierra Nevada, Lake Tahoe and the hunting and fishing areas of the Northern Coast counties.

Spectator sports are also an important part of Bay Area recreation. Every facet of major professional sports is represented in the area, in addition to the excellent inter-collegiate sporting events offered by the area's colleges and universities.

One of the world's major cultural centers, the Bay Area offers its residents a wide range of music, art and drama. Resident symphony orchestras, ballet, opera and legitimate theater companies are available, and the area's institutions of higher learning contribute to the cultural life of the Bay Area with many theatrical and musical events.



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EXHIBIT A

*Opinion relating to validity of the bonds to be rendered
in substantially the following form:*

PINOLE REDEVELOPMENT AGENCY
PINOLE VISTA REDEVELOPMENT PROJECT
TAX ALLOCATION BONDS, 1975

PINOLE REDEVELOPMENT AGENCY
PINOLE, CALIFORNIA

FINAL OPINION

Gentlemen:

We have examined certified copies of proceedings taken for the issuance of \$2,350,000 principal amount of Tax Allocation Bonds of the Pinole Redevelopment Agency, City of Pinole, California ("Agency"), designated Pinole Redevelopment Agency, Pinole Vista Redevelopment Project, Tax Allocation Bonds, 1975, and the sale by you of such Bonds ("Bonds"). We have also examined supplemental documents furnished us and executed Bond No. 1 of said issue. The Bonds are issued under the Community Redevelopment Law of the State of California, pursuant to Resolution No. 75-13, adopted by the Agency on November 17, 1975, ("Resolution").

Bearer Bonds of said Issue are 470 in number, numbered 1 to 470 inclusive, of the denomination of \$5,000 each, are dated November 1, 1975, bear interest payable on May 1, 1976, and semiannually thereafter on each November 1 and May 1 and mature as follows:

Year of Maturity May 1 of	Principal Amount	Interest Rate (Payable May 1, 1976, and semiannually thereafter on the first days of November and May)	Year of Maturity May 1 of	Principal Amount	Interest Rate (Payable May 1, 1976, and semiannually thereafter on the first days of November and May)	Year of Maturity May 1 of	Principal Amount	Interest Rate (Payable May 1, 1976, and semiannually thereafter on the first days of November and May)
1977	\$ 35,000		1985	\$ 65,000		1994	\$115,000	
1978	35,000		1986	70,000		1995	125,000	
1979	40,000		1987	75,000		1996	135,000	
1980	40,000		1988	80,000		1997	145,000	
1981	45,000		1989	85,000		1998	160,000	
1982	50,000		1990	90,000		1999	170,000	
1983	55,000		1991	95,000		2000	180,000	
1984	60,000		1992	100,000		2001	190,000	
			1993	110,000				

Fully Registered Bonds without coupons may be issued in the manner set forth in the Resolution. The Bonds maturing on or before May 1, 1986, are not subject to call and redemption prior to maturity. Bonds maturing on or after May 1, 1987, may be called before maturity and redeemed at the option of the Agency on May 1, 1986, or on any interest payment date thereafter prior to maturity. If less than all the Bonds outstanding are to be redeemed at any one time, the Bonds are to be redeemed in inverse order of maturity, and by lot within a maturity.

From such examination, we are of the opinion that the proceedings have been taken in accordance with the laws and Constitution of the State of California, and that said Bonds, having been issued in duly authorized form and executed by the proper officials and delivered to and paid for by the purchasers, constitute the legal and binding special obligations of said Agency and are payable from Tax Revenues (as said term is defined in the Resolution) and from certain other funds as provided in the Resolution.

We are further of the opinion that such Bonds are secured by an irrevocable pledge of said Tax Revenues and said other funds as provided in the Resolution. The Tax Revenues are that portion of taxes levied upon taxable property in the Redevelopment Project Area (as defined in the Resolution) by any city, county, district or other public corporation which is required to be allocated to and paid into the Special Fund of the Agency pursuant to Section 16 of Article XVI of the Constitution of the State of California and Article 6 of Chapter 6 of said Community Redevelopment Law.

We are further of the opinion (1) that no additional bonds or other obligations payable, principal or interest, from said Tax Revenues which have any lien thereon superior to or on a parity with the lien of these Bonds may be issued except as expressly permitted by the Resolution; (2) that the agreements and covenants contained in the Resolution are legal and binding in accordance with their terms; and (3) that interest on the Bonds is exempt from income taxes of the United States of America under present federal income tax laws and such interest is also exempt from personal income taxes of the State of California under present state income tax laws.

Respectfully submitted,

James Warren Beebe, A Law Corporation
Mudge Rose Guthrie & Alexander

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